

cVation A/S

Lautrupsgade 7, 3., 2100 København Ø

CVR no. 35 63 31 62

Annual report 2023

Approved at the Company's annual general meeting on 8 March 2024

Chair of the meeting:

DocuSigned by:

Christian Peter Jean Møller

Christian Peter Jean Møller

Contents

Statement by the Board of Directors and the Executive Board	2
Independent auditor's report	3
Management's review	5
Financial statements 1 January - 31 December	7
Income statement	7
Balance sheet	8
Statement of changes in equity	10
Notes to the financial statements	11

Statement by the Board of Directors and the Executive Board

Today, the Board of Directors and the Executive Board have discussed and approved the annual report of cVation A/S for the financial year 1 January - 31 December 2023.

The annual report is prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2023 and of the results of the Company's operations for the financial year 1 January - 31 December 2023.

Further, in our opinion, the Management's review gives a fair review of the matters discussed in the Management's review.

We recommend that the annual report be approved at the annual general meeting.

Copenhagen, 8 March 2024
Executive Board:

<p>DocuSigned by: <i>Christian Peter Jean Møller</i> ----- B7901F6A54854B7 Christian Peter Jean Møller</p>	<p>DocuSigned by: <i>Nicolai Graff Andersen</i> ----- DF1031AE741E40C Nicolai Graff Andersen</p>
--	--

Board of Directors:

<p>DocuSigned by: <i>Ulrich Peter Bannmüller</i> ----- 674F5DAC05684C8 Ulrich Peter Bannmüller Chairman</p>	<p>DocuSigned by: <i>[Signature]</i> ----- FD4F8C5890AA41B Gerald Jenner</p>	<p>DocuSigned by: <i>Christian Peter Jean Møller</i> ----- B7901F6A54854B7 Christian Peter Jean Møller</p>
---	--	--

Independent auditor's report

To the shareholders of cVation A/S

Opinion

We have audited the financial statements of cVation A/S for the financial year 1 January - 31 December 2023, which comprise income statement, balance sheet, statement of changes in equity and notes, including accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2023 and of the results of the Company's operations for the financial year 1 January - 31 December 2023 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

Management's responsibilities for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance as to whether the financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- ▶ Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- ▶ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

Independent auditor's report

- ▶ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- ▶ Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- ▶ Evaluate the overall presentation, structure and contents of the financial statements, including the note disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Statement on the Management's review

Management is responsible for the Management's review.

Our opinion on the financial statements does not cover the Management's review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the Management's review and, in doing so, consider whether the Management's review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the Management's review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the Management's review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statement Act. We did not identify any material misstatement of the Management's review.

Odense, 8 March 2024
EY Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28



Søren Smeuergaard Hvid
State Authorised Public Accountant
mne31450

Management's review

Company details

Name	cVation A/S
Address, Postal code, City	Lautrupsgade 7, 3., 2100 København Ø
CVR no.	35 63 31 62
Established	6 January 2014
Registered office	Copenhagen
Financial year	1 January - 31 December
Board of Directors	Ulrich Peter Bannmüller, Chairman Gerald Jenner Christian Peter Jean Møller
Executive Board	Christian Peter Jean Møller Nicolai Graff Andersen
Auditors	EY Godkendt Revisionspartnerselskab Cortex Park Vest 3, 5230 Odense M, Denmark

Management's review

Business review

The objective of the Company is development, operation and sales of IT based services and related business.

Financial review

The income statement for 2023 shows a profit of DKK 22,940 thousand against a profit of DKK 25,147 thousand last year, and the balance sheet at 31 December 2023 shows equity of DKK 25,575 thousand.

Financial statements 1 January - 31 December

Income statement

Note	DKK	2023	2022
	Revenue	109,886,973	103,894,352
	Cost of sales	-3,783,536	-2,647,255
	External expenses	-12,197,465	-11,167,996
	Gross profit	93,905,972	90,079,101
3	Staff costs	-63,752,673	-55,860,373
	Amortisation/depreciation and impairment of intangible assets and property, plant and equipment	-542,731	-1,593,979
	Profit before net financials	29,610,568	32,624,749
	Financial income	324,060	94,836
	Financial expenses	-410,193	-420,267
	Profit before tax	29,524,435	32,299,318
4	Tax for the year	-6,584,055	-7,152,643
	Profit for the year	22,940,380	25,146,675
	Recommended appropriation of profit		
	Proposed dividend recognised under equity	9,000,000	9,660,000
	Extraordinary dividend distributed in the year	11,145,000	11,160,000
	Other statutory reserves	-260,685	-4,030,346
	Retained earnings	3,056,065	8,357,021
		22,940,380	25,146,675

Financial statements 1 January - 31 December

Balance sheet

Note	DKK	2023	2022
	ASSETS		
	Fixed assets		
5	Intangible assets		
	Development projects	0	334,211
		<u>0</u>	<u>334,211</u>
6	Property, plant and equipment		
	Other fixtures and fittings, tools and equipment	682,687	155,857
	Leasehold improvements	102,786	166,310
		<u>785,473</u>	<u>322,167</u>
	Investments		
	Deposits	1,134,385	1,110,229
		<u>1,134,385</u>	<u>1,110,229</u>
	Total fixed assets	<u>1,919,858</u>	<u>1,766,607</u>
	Non-fixed assets		
	Receivables		
	Trade receivables	21,318,204	11,002,721
	Work in progress	438,934	425,200
	Receivables from group enterprises	4,208,645	912,461
	Deferred tax assets	33,448	0
	Prepayments	439,795	458,618
		<u>26,439,026</u>	<u>12,799,000</u>
	Cash	14,407,382	28,162,027
	Total non-fixed assets	<u>40,846,408</u>	<u>40,961,027</u>
	TOTAL ASSETS	<u><u>42,766,266</u></u>	<u><u>42,727,634</u></u>

Financial statements 1 January - 31 December

Balance sheet

Note	DKK	2023	2022
	EQUITY AND LIABILITIES		
	Equity		
	Share capital	500,000	500,000
	Reserve for development costs	0	260,685
	Reserve for exchange rate adjustments	0	0
	Retained earnings	16,075,393	13,019,328
	Dividend proposed for the year	9,000,000	9,660,000
	Total equity	<u>25,575,393</u>	<u>23,440,013</u>
	Provisions		
	Deferred tax	0	28,664
	Total provisions	<u>0</u>	<u>28,664</u>
	Liabilities other than provisions		
	Current liabilities other than provisions		
	Bank debt	75,511	129,908
	Trade payables	546,884	1,737,905
	Income taxes payable	5,284,167	6,511,372
7	Other payables	9,476,896	7,934,417
	Deferred income	1,807,415	2,945,355
		<u>17,190,873</u>	<u>19,258,957</u>
	Total liabilities other than provisions	<u>17,190,873</u>	<u>19,258,957</u>
	TOTAL EQUITY AND LIABILITIES	<u><u>42,766,266</u></u>	<u><u>42,727,634</u></u>

- 1 Accounting policies
- 2 Events after the balance sheet date
- 8 Contractual obligations and contingencies, etc.
- 9 Security and collateral
- 10 Related parties

Financial statements 1 January - 31 December

Statement of changes in equity

DKK	Share capital	Reserve for development costs	Reserve for exchange rate adjustments	Retained earnings	Dividend proposed for the year	Total
Equity at 1 January 2022	500,000	1,631,841	2,659,190	4,662,307	0	9,453,338
Transfer through appropriation of profit	0	-1,371,156	0	8,357,021	9,660,000	16,645,865
Exchange adjustment	0	0	-2,659,190	0	0	-2,659,190
Equity at 1 January 2023	500,000	260,685	0	13,019,328	9,660,000	23,440,013
Transfer through appropriation of profit	0	-260,685	0	14,201,065	9,000,000	22,940,380
Dividend distributed	0	0	0	0	-9,660,000	-9,660,000
Extraordinary dividend distributed	0	0	0	-11,145,000	0	-11,145,000
Equity at 31 December 2023	500,000	0	0	16,075,393	9,000,000	25,575,393

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies

The annual report of cVation A/S for 2023 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to reporting class B entities and elective choice of certain provisions applying to reporting class C entities.

The accounting policies used in the preparation of the financial statements are consistent with those of last year.

Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rate at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and the date of payment are recognised in the income statement as financial income or financial expenses.

Receivables and payables and other monetary items denominated in foreign currencies are translated at the exchange rate at the balance sheet date. The difference between the exchange rates at the balance sheet date and the date at which the receivable or payable arose or was recognised in the most recent financial statements is recognised in the income statement as financial income or financial expenses.

Income statement

Revenue

The Company has chosen IAS 11/IAS 18 as interpretation for revenue recognition.

Income from the rendering of services is recognised as revenue as the services are rendered. Accordingly, revenue corresponds to the market value of the services rendered during the year (percentage-of-completion method).

Revenue is measured at the fair value of the agreed consideration excluding VAT and taxes charged on behalf of third parties. All discounts and rebates granted are recognised in revenue.

Cost of sales

Cost of sales includes the cost of goods used in generating the year's revenue.

External expenses

Other external expenses include the year's expenses relating to the Company's core activities, including expenses relating to distribution, sale, advertising, administration, premises, bad debts, payments under operating leases, etc.

Staff costs

Staff costs include wages and salaries, including compensated absence and pension to the Company's employees, as well as other social security contributions, etc. The item is net of refunds from public authorities.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Amortisation/depreciation

The item comprises amortisation/depreciation of intangible assets and property, plant and equipment.

The basis of amortisation/depreciation, which is calculated as cost less any residual value, is amortised/depreciated on a straight line basis over the expected useful life. The expected useful lives of the assets are as follows:

Development projects	5 years
Other fixtures and fittings, tools and equipment	3-5 years
Leasehold improvements	10 years

Financial income and expenses

Financial income and expenses are recognised in the income statements at the amounts that concern the financial year. Net financials include interest income and expenses as well as allowances and surcharges under the advance-payment-of-tax scheme, etc.

Tax

Tax for the year includes current tax on the year's expected taxable income and the year's deferred tax adjustments. The portion of the tax for the year that relates to the profit/loss for the year is recognised in the income statement, whereas the portion that relates to transactions taken to equity is recognised in equity.

Balance sheet

Intangible assets

Development costs comprise expenses, salaries and amortisation directly or indirectly attributable to development activities.

Development projects that are clearly defined and identifiable, where the technical feasibility, sufficient resources and a potential future market or development opportunities are identifiable and where the Company intends to produce, market or use the project, are recognised as intangible assets provided that the cost can be measured reliably and that there is sufficient assurance that future earnings can cover production costs, selling costs and administrative expenses and development costs. Other development costs are recognised in the income statement as incurred.

Development costs that are recognised in the balance sheet are measured at cost less accumulated amortisation and impairment losses.

On completion of a development project, development costs are amortised on a straight-line basis over the estimated useful life.

Property, plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Cost includes the acquisition price and costs directly related to the acquisition until the time at which the asset is ready for use.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Leases

The Company has chosen IAS 17 as interpretation for classification and recognition of leases.

Leases that do not transfer substantially all the risks and rewards incident to the ownership to the Company are classified as operating leases. Payments relating to operating leases and any other rent agreements are recognised in the income statement over the term of the lease. The Company's aggregate liabilities relating to operating leases and other rent agreements are disclosed under "Contingent liabilities".

Impairment of fixed assets

The carrying amount of intangible assets and property, plant and equipment is assessed for impairment on an annual basis.

Impairment tests are conducted on assets or groups of assets when there is evidence of impairment. The carrying amount of impaired assets is reduced to the higher of the net selling price and the value in use (recoverable amount).

The recoverable amount is the higher of the net selling price of an asset and its value in use. The value in use is calculated as the present value of the expected net cash flows from the use of the asset or the group of assets and the expected net cash flows from the disposal of the asset or the group of assets after the end of the useful life.

Previously recognised impairment losses are reversed when the reason for recognition no longer exists.

Receivables

The Company has chosen IAS 39 as interpretation for impairment write-down of financial receivables.

Receivables are measured at amortised cost.

An impairment loss is recognised if there is objective evidence that a receivable or a group of receivables is impaired. If there is objective evidence that an individual receivable has been impaired, an impairment loss is recognised on an individual basis.

Receivables in respect of which there is no objective evidence of individual impairment are tested for objective evidence of impairment.

Impairment losses are calculated as the difference between the carrying amount of the receivables and the present value of the expected cash flows, including the realisable value of any collateral received. The effective interest rate for the individual receivable or portfolio is used as discount rate.

Work in progress

Where the outcome of contract work in progress cannot be estimated reliably, the market value is measured at the expenses incurred in so far as they are expected to be paid by the purchaser.

Where the total expenses relating to the work in progress are expected to exceed the total market value, the expected loss is recognised as a loss-making agreement under "Provisions" and is expensed in the income statement.

The value of work in progress less progress billings is classified as assets when the selling price exceeds progress billings and as liabilities when progress billings exceed the market value.

Prepayments

Prepayments recognised under "Assets" comprise prepaid expenses regarding subsequent financial reporting years.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Cash

Cash comprise cash.

Equity

Reserve for development costs

The reserve for development costs comprises recognised development costs. The reserve cannot be used to distribute dividend or cover losses. The reserve will be reduced or dissolved if the recognised development costs are amortised or are no longer part of the Company's operations by a transfer directly to the distributable reserves under equity.

Proposed dividends

Dividend proposed for the year is recognised as a liability once adopted at the annual general meeting (declaration date). Dividends expected to be distributed for the financial year are presented as a separate item under "Equity".

Provisions

Provisions comprise anticipated expenses relating to warranty commitments, onerous contracts, restructurings, etc. Provisions are recognised when the Company has a legal or constructive obligation at the balance sheet date as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation.

Provisions are measured at net realisable value or at fair value if the obligation is expected to be settled far into the future.

Income taxes

Current tax payables and receivables are recognised in the balance sheet as the estimated income tax charge for the year, adjusted for prior-year taxes and tax paid on account.

Deferred tax is measured according to the liability method on all temporary differences between the carrying amount and the tax base of assets and liabilities. However, deferred tax is not recognised on temporary differences relating to goodwill which is not deductible for tax purposes and on office premises and other items where temporary differences, apart from business combinations, arise at the date of acquisition without affecting either profit/loss for the year or taxable income. Where alternative tax rules can be applied to determine the tax base, deferred tax is measured based on Management's intended use of the asset or settlement of the liability, respectively.

Deferred tax is measured according to the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Deferred tax assets are recognised at the expected value of their utilisation; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity. Changes in deferred tax due to changes in the tax rate are recognised in the income statement.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Other payables

Other payables are measured at net realisable value.

Deferred income

Deferred income recognised as a liability comprises payments received concerning income in subsequent financial reporting years.

Financial statements 1 January - 31 December

Notes to the financial statements

2 Events after the balance sheet date

No events materially affecting the Company's financial position have occurred subsequent to the financial year-end.

DKK	<u>2023</u>	<u>2022</u>
3 Staff costs		
Wages/salaries	61,055,102	53,537,878
Pensions	2,149,695	1,806,437
Other social security costs	<u>547,876</u>	<u>516,058</u>
	<u>63,752,673</u>	<u>55,860,373</u>
 Average number of full-time employees	 <u>76</u>	 <u>67</u>
4 Tax for the year		
Estimated tax charge for the year	6,646,167	7,489,372
Deferred tax adjustments in the year	<u>-62,112</u>	<u>-336,729</u>
	<u>6,584,055</u>	<u>7,152,643</u>

Financial statements 1 January - 31 December

Notes to the financial statements

5 Intangible assets

DKK	Development projects
Cost at 1 January 2023	13,373,243
Cost at 31 December 2023	13,373,243
Impairment losses and amortisation at 1 January 2023	13,039,032
Amortisation/depreciation in the year	334,211
Impairment losses and amortisation at 31 December 2023	13,373,243
Carrying amount at 31 December 2023	0
Amortised over	5 years

Development projects

Development projects comprise of development cost for new technology and products. The recognition of the development projects has been made on the basis of the sales forecast which are to realised. Management expects significant growth and sales within few years.

Management has not indicated further need for impairment.

6 Property, plant and equipment

DKK	Other fixtures and fittings, tools and equipment	Leasehold improvements	Total
Cost at 1 January 2023	889,950	345,953	1,235,903
Additions in the year	671,826	0	671,826
Cost at 31 December 2023	1,561,776	345,953	1,907,729
Impairment losses and depreciation at 1 January 2023	734,093	179,643	913,736
Amortisation/depreciation in the year	144,996	63,524	208,520
Impairment losses and depreciation at 31 December 2023	879,089	243,167	1,122,256
Carrying amount at 31 December 2023	682,687	102,786	785,473
Depreciated over	3-5 years	10 years	

Financial statements 1 January - 31 December

Notes to the financial statements

7 Other payables

Other payables consists of salary related debt and VAT.

8 Contractual obligations and contingencies, etc.

Other financial obligations

Rent and lease liabilities include a rent and lease obligation totalling t.DKK 2,633 with remaining contract terms of 2-26month.

9 Security and collateral

As security for the Company's debt to banks, the Company has provided security for a total amount of t.DKK 7,000.

10 Related parties

cVation A/S' related parties comprise the following:

Significant influence

<u>Related party</u>	<u>Domicile</u>	<u>Basis for significant influence</u>
Skaylink GmbH	Zielstattstraße 4281379 München, Germany	Majority shareholder

Information about consolidated financial statements

<u>Parent</u>	<u>Domicile</u>
Skaylink GmbH	Zielstattstraße 4281379 München, Germany

Related party transactions

The Company solely discloses related party transactions that have not been carried out on an arm's length basis, cf. section 98c(7) of the Danish Financial Statements Act.

All transactions have been carried out on an arm's length basis.